

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 635 - SB 600

March 2, 2019

SUMMARY OF BILL: Requires certain local governments to establish a secure electronic system for receipt of invitations to bid, requests for proposals, and other offers.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – A precise mandatory increase in local government expenditures cannot reasonably be determined due to multiple unknown factors. *

Assumptions:

- Tennessee Code Annotated § 12-4-116 states that local government may receive bids, proposals, and other offers electronically. The proposed legislation will require only certain local governments, in certain circumstances, to establish such an electronic system.
- The proposed legislation would exempt:
 - Local governments from any expenditure for high-speed internet access, a computer, software, personnel costs, training, or other office equipment directly related to the electronic receipt of bids.
 - Local governments who do not currently have access to high-speed internet or a computer.
 - Municipalities with a population less than 9,000 and counties with a population less than 18,000.
- Approximately 285 municipalities and 24 counties are exempt from the provisions of the proposed legislation due to population.
- Due to multiple unknown factors such as the number of local governments which currently have such an electronic system, the number of local governments which will be exempt from the provisions of the proposed legislation due to lack of access to high-speed internet or a computer, how many local governments will be exempt from certain expenditures, and the extent of any nonexempt expenditures which a nonexempt local government will experience in order to create such an electronic system, a precise increase in local government expenditures cannot reasonably be determined, but is considered mandatory.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

/jrh